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January 17, 2021

The Honorable Jocelyn G. Boyd
Chief Clerk and Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Docket No. 2020-225-WS - IN RE: Joint Application for Approval of the Sale of Assets and Transfer of Facilities, Territory, and Certificate of Public Convenience and Necessity from CUC, Incorporated to South Carolina Water Utilities—CUC, Inc.

Dear Ms. Boyd:

With this letter, I am submitting for approval a Stipulation Agreement between South Carolina Water Utilities -CUC, Inc. (“SCWU-CUC”), CUC, Incorporated (“CUC”), and the Office of Regulatory Staff (“ORS”).

As the Commission knows, the two homeowners’ associations in CUC’s service territory, Spring Island Property Owners Association and Callawassie Island Property Owners Association, filed letters on September 18, 2020, supporting the application in this docket. The property owners’ associations filed the letters after extensive discussions with SCWU-CUC produced an agreement that the utility would not apply for a rate increase before January 1, 2025.

Now, SCWU-CUC has made additional commitments to ORS in the Stipulation Agreement. For example, it will not seek recovery of any acquisition premium or transaction costs related to its agreement to purchase CUC’s assets. Stipulation, p. 3, ¶ 1. SCWU-CUC will provide customers certain service enhancements, including online billing, a company website, and the option to pay by credit card within 120 days of closing. Stipulation, p. 5, ¶ 9. SCWU-CUC will issue refunds totaling \$33,508 related to the 2017 Tax Cuts and Jobs Act within two billing cycles of closing. Stipulation, p. 5, ¶ 9. As part of the Stipulation, SCWU-CUC also requests the Commission approve its “Cash Management Services” arrangement described in Appendix A. Stipulation, p. 5, ¶ 6. SCWU-CUC is filing a redacted version of Appendix A on DMS and a confidential unredacted version under seal. SCWU-CUC is also moving for confidential treatment of Appendix A.

ORS has agreed, subject to approval of the Stipulation, not to object to the Joint Applicants’ request for approval of the asset purchase agreement, expedited consideration, and waiver of a hearing.

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The Joint Applicants submit this matter is ready for the Commission's consideration, and request approval of the Stipulation Agreement, the sale of CUC's assets to SCWU-CUC, and grant SCWU-CUC permission to operate the water and sewer systems of CUC under the schedule of rates and charges in place for its customers.

With best wishes, I am,

Sincerely yours,

s/ Charlie Terreni

Charles L.A. Terreni

c: Counsel of record
Mr. Craig Sorensen